



## **NEWS RELEASE**

For Immediate Release

Media Contact: Joe DiLaura, 317-232-3396

Robert Shula, 317-234-0263

### **State Stepping Up Efforts to Collect Delinquent Unemployment Insurance Taxes**

INDIANAPOLIS (Mar 2, 2006) -- The Indiana Department of Workforce Development is stepping up its collection efforts and seeking payment from several thousand Hoosier firms delinquent in the payment of their state unemployment insurance taxes.

Working with the Indiana Attorney General's office, the department this week filed the first three of a series of lawsuits against firms with the largest outstanding liability. The three lawsuits were filed in Marion County court. According to the department, approximately 17,000 firms owe the state an estimated \$57 million in back unemployment insurance taxes.

"The department does not take this action lightly, but the affected firms are obligated to fulfill their responsibilities," said Ron Stiver, Commissioner of the Department of Workforce Development. "All employers pay for these delinquencies through higher unemployment insurance tax rates. We don't believe that is fair to those employers who fulfill their obligations and pay their taxes fully and on time."

"This is one additional step we can take to protect the integrity of the unemployment insurance trust fund," Stiver said. "Other measures are being pursued with the General Assembly through Senate Bill 321, which will provide additional safeguards against fraud."

Stiver said that negotiations with several of the firms delinquent in their unemployment insurance taxes have already resulted in payment agreements totaling more than \$900,000. Lawsuits will not be filed against those firms that have signed payment agreements or have agreed to pay their obligations in full.

Firms with outstanding tax liability wishing to avoid being sued by the state are asked to call the department's collections enforcement unit at (317) 232-7395. Firms wishing to settle with the state can either agree to pay in full or through a payment schedule.

Taxes collected under the stepped-up collection program will increase the balance in the unemployment insurance trust fund, which is used to pay unemployment benefits and determine the tax rate schedule for employers. A larger balance in the trust fund can result in lower tax rates for employers.

Indiana moved to the highest tax rate schedule in 2004, and officials believe that monies raised through this more aggressive collection program will help reduce the tax rates for employers and ensure fiscal integrity of the trust fund for future unemployed claimants.

The five counties with the largest number of employers in arrears and the amounts outstanding are:

<i>County</i>	<i>No. of Employers</i>	<i>Estimated Amount Owed</i>
Marion	2300	\$7,000,000
Lake	1400	\$5,000,000
Allen	900	\$2,600,000
Hamilton	600	\$2,100,000
St. Joe	600	\$2,100,000

The Indiana Department of Workforce Development is charged with continually improving the Hoosier workforce by assisting companies to create new jobs and improve worker skills. The agency offers a variety of training and educational grants, partners with Indiana's 26 WorkOne Centers, administers the unemployment insurance system, provides labor market information, assists employers with preparing workers for layoffs and closures and operates a statewide job placement service.

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Note to Media: Due to confidentiality reasons, the Department of Workforce Development is unable to release the names of specific employers and the amount of unemployment insurance taxes owed the state. IC 22-4-19-6 provides that "information obtained...in the administration of this article and the records of the department relating to the unemployment tax, the skills 2016 assessment...or the payment of benefits is confidential and may not be published or be open to public inspection in any manner revealing the individual's or the employing unit's identity, except in obedience of a court order." The information is only available through court records after the state files suits against the firms.